9120183 C9700-3

THE WEEKLY OF BUSINESS AVIATION

DAVE COLLOGAN/EDITOR
MONICA MOORE/ASSISTANT EDITOR
1156 15th STREET, N.W./WASHINGTON, D.C. 20005
PHONE: (202) 822-4600/TELEX: 89-2447

Vol. 37 No. 12 September 19, 1983 Page 89

INSIDE

Canadians Acquire Hiller ..... Page 90
CASA Rolls Out CN-235 ..... Page 91
G-III Military Model Planned ..... Page 92
Business Aviation Briefs ..... Page 93
Marketplace ..... Page 96

KASSEBAUM BILL WOULD BASE AVIATION TAX LEVELS ON SPENDING

Sen. Nancy Kassebaum (R-Kan.), declaring that aviation interests "have been betrayed" by the Reagan Administration's failure to raise FAA spending levels, last week introduced legislation that would reduce aviation user taxes if the Administration does not act to increase spending for critical FAA programs. Kassebaum, chairman of the Senate aviation subcommittee, said the goal of her Aviation Tax Reduction Act of 1983 "is very simple. The government must either spend the money it collects from the aviation community and millions of air travelers or it must reduce the taxes it levies for aviation."

Kassebaum said her bill "would adjust aviation taxes each fiscal year to reflect the appropriated levels of spending for that year, starting with the tax levels currently in effect. If only half the authorized total were appropriated, the tax rates for that year would be half their current rates." She said this would provide an adjustment mechanism to match taxation with spending and would "stop government bureaucrats from playing games with the Aviation Trust Fund by halting the already huge surplus from growing larger."

The legislation introduced last Thursday resulted from a wide difference in the amount of money appropriated for FAA in fiscal 1984 and the amount of money that had been authorized for such programs when the Airport Improvement Program was adopted in 1982 *(BA, July 25/25).* Kassebaum charged that "the Administration has totally and utterly failed to carry through on the promises that it made during the formulation and enactment of the AIP legislation. The aviation taxes, significantly increased last year, are once again simply flowing into the Airport and Airway Trust Fund and bloating the surplus in that account. Because this money cannot be spent on anything other than aviation, the surplus renders no substantive benefit to anyone. It only allows the Office of Management and Budget to show a deficit number that is artificially low."

A spokesman for Rep. Norman Mineta (D-Calif.), chairman of the House aviation subcommittee, said last Friday that Mineta plans to introduce legislation with a similar purpose in the next week or two. While both the Kassebaum and Mineta bills will probably receive strong support from aviation interests, it is highly unlikely that either measure will be acted upon this year. Congress will probably adjourn for the year by mid-November and the press of other business will not permit time for consideration of the aviation tax reduction proposals before then *(see related story on Page 90).*

WRIGHT, AEROMECH TO BEGIN OPERATING COMBINED SCHEDULE OCT. 1

Wright Airlines' board of directors was scheduled to meet last Friday to approve the merger of Wright with Aeromech Airlines, one of the last formal steps necessary to complete the merger. Vote by the Wright directors, which followed earlier approval by Aeromech's board, was considered a formality. Last remaining step is approval of the agreement at a special meeting of Wright shareholders in October, but that also is considered to be a formality because the company's directors control 80 percent of the outstanding stock. Plans are already in place for the carriers to begin operating a single, unified schedule on Oct. 1 with a total of 214 daily departures *(see map of points served on the back of Page 90).*

There had been some consideration of adopting an entirely new name for the merged carrier, but of-

(Continued on the following page)

PUBLISHED BY THE BUSINESS PUBLICATIONS DIVISION OF ZIFF-DAVIS PUBLISHING CO. COPYRIGHT © 1983 ZIFF-DAVIS PUBLISHING CO. ALL RIGHTS RESERVED. REPRODUCTION IS STRICTLY PROHIBITED. SUBSCRIPTIONS: ONE YEAR $190. SIX MONTHS $115.

REGIONAL AIRLINE ASSOCIATION has published its 1982 annual report on the industry, which includes a listing of RAA members, information on aircraft being operated and a variety of statistical information including a listing of the top 50 commuters and regionals in terms of passengers carried *(see chart on the back of this page)*. The 170-page report is priced at $15 for RAA members and $25 for non-members and is available by writing the association at: 1101 Connecticut Ave., N.W., Washington, D.C. 20036. An RAA spokesman said payment must accompany orders.

* * *

TRACOR AVIATION INC., Santa Barbara, Calif., said it has received a contract valued at over $1 million to retrofit 10 DC-9-51 aircraft with Heath Tecna interior kits as well as new lavatory and galley areas for Muse Air. First aircraft will arrive at Tracor facilities in October, but work on the final five aircraft will not be compieted until 1985-1986. Each of the 10 DC-9s will be equipped with 130 passenger seats.

* * *

MARVIN COHEN, former chairman of the Civil Aeronautics Board, has been elected a director and corporate general counsel of Pacific Express Holding Inc., parent company of Pacific Express. Cohen, who was CAB chairman from 1978-1981, has served as corporate secretary for Pacific Express since December 1981. He is a partner in the Washington office of the law firm of Stroock, Stroock and Lavan.

* * *

NATIONAL COMMUTER AIRLINES, operating since April 1982 out of Miami as an Air Florida commuter, is dropping its link with the larger carrier after reaching an impasse on a new contract. Lawrence Howell, director of planning for National, said the carrier will reorganize and begin a new marketing program under its own identity to serve intrastate markets. NCA, using nine 26-passenger Nords, was operating about 400 flights a week and carrying about 17,000 passengers a month for Air Florida. Howell said the airline will "start up by serving Key West, Sarasota, Tampa, Orlando, Jacksonville, West Palm Beach and Fort Lauderdale from our Miami base."

* * *

SAAB-FAIRCHILD 340 airliner will be equipped with Goodyear carbon disk brakes, the first commuter aircraft with U.S. ties that will employ the new technology, Goodyear Aerospace Corp. said. Most late model U.S. military aircraft use the disks in their brakes because of carbon's light weight and long life, the company said. The brakes for the 340 will weigh 139 pounds, some 72 pounds less than conventional brake disks, Goodyear said.

* * *

AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES and the University of Oklahoma are sponsoring the National Airports Conference next month in Norman, Okla. Theme of the conference, which is scheduled for Oct. 2-5, is "Professional Growth Through Learning." Topics at the meeting will include airport emergency planning, marketing airline service, rate-making and terminal energy management. For more information contact AAAE at (202) 331-8994.

* * *

SILVER INSTRUMENTS INC., Oakland, Calif., said it has received an amendment from FAA to add the Hughes 500E helicopter to the Fuelton STC for the 500C and 500D.

* * *

FLIGHT SAFETY FOUNDATION will hold its 37th annual International Air Safety Seminar Oct. 29-Nov. 1, 1984 at the Hotel International in Zurich, Switzerland. Theme of the seminar is "Human Factors in Managing Aviation" which will be chaired by Capt. Willy Stierli, general manager of flight operation services of host airline Swiss Air Transport Co. Ltd. (Swissair). For more information about the seminar, contact Dagmar Witherspoon at: FSF, 5510 Columbia Pike, Arlington, Va. 22204, telephone (703) 820-2777.

* * *

GATEWAY AVIATION d/b/a The Flight Department Inc., Philadelphia, Pa., has named Phil Greco president. Gateway is an aircraft management and charter broker firm based at Philadelphia International Airport.

TOP 50 PASSENGER REGIONAL CARRIERS 1982

Carrier	Passengers
1. Mid Pacific	822,000
2. Britt Airways	796,538
3. PBA (Provincetown Boston & Naples Airlines)	727,716
4. Air Wisconsin	723,924
5. Metro Airlines	697,563
6. Golden West Airlines	689,290
7. Henson Aviation	651,000
8. PRINAIR (Puerto Rico International Airlines)	620,000
9. Ransome Airlines	579,531
10. Empire Airlines	562,763
11. MVA (Mississippi Valley Airlines)	511,500
12. Rio	408,447
13. Pennsylvania Airlines	350,835
14. Rocky Mountain Airways	349,008
15. Air Midwest	309,390
16. Cascade Airways	305,402
17. Aspen Airways	277,713
18. Suburban Airlines	271,139
19. Bar Harbor Airlines	270,059
20. Imperial Airlines	265,963
21. Horizon Airlines	254,586
22. Air Illinois	251,582
23. Pilgrim	236,210
24. SunAire Line	227,450
25. Comair	220,440
26. Wright Airlines	219,645
27. Royale Airlines	211,167
28. Midstate Airlines	200,188
29. Atlantic Southeast Airlines	197,818
30. Scheduled Skyways	196,103
31. AeroMech	191,165
32. Royal Hawaiian Air Service	188,000
33. Chautauqua Airlines	181,643
34. Command Airways	177,055
35. Crown Airways	165,975
36. Air Virginia	142,012
37. Air North	136,500
38. Southern Jersey Airways	131,420
39. Precision Airlines	125,000
40. Scenic Airlines	121,373
41. Chaparral Airlines	119,248
42. Fischer Brothers Aviation	119,241
43. Skywest Airlines	119,205
44. Alaskan Aeronautical	118,000
45. San Juan Airlines	102,000
46. Wings West Airlines	100,075
47. Inland Empire Airlines	94,332
48. Pocono Airlines	93,763
49. Simmons Airlines	93,306
50. Pacific Coast Airlines	91,013
Top 50 Regional/Commuter	**15,025,000 81%**
All Others	**3,525,000 19%**
TOTAL	**18,550,000 100%**

Source: Regional Airline Association